# GOVERNMENT OF INDIA
# CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
# LOK SABHA

UNSTARRED QUESTION NO:1063
ANSWERED ON:23.11.2001
CLOSURE OF SUPER BAZARS
A. KRISHNASWAMY;AKHILESH SINGH;CHINMAYANAND;GADDE RAMAMOHAN;JASKAUR MEENA;KAMAL NATH;KAMBALAPADU E. KRISHNAMURTHY;NARESH KUMAR PUGLIA;RAMDAS RUPALA GAVIT

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

(a) whether the Government are contemplating to close down the Super Bazar;

(b) if so, the details thereof;

(c) the extent of loss being incurred by the Super Bazar at present and particularly after 1997 alongwith the reasons therefor;

(d) the number of employees working in the Super Bazar as on date;

(e) the place/organizations where the Government propose to absorb these employees and compensation likely to be given alongwith its criteria;

(f) whether the Union Government will consider some alternative measure to save Super Bazar;

(g) if so, the details thereof;

(h) whether any demand has been received by the Government to handover Super Bazarto some multi state cooperative or start working it as a joint venture; and

(i) if so, the steps taken by the Government in this regard?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD)

(a) & (b): The Cooperative Store Ltd. (Super Bazar) registered underMulti-State Cooperative Societies Act 1984, (MSCS Act 1984) started incurring loss from 1996-1997 which mounted in subsequent years. Besides, the liabilities of employees` salary, suppliers` dues, unpaid dividend and Govt. loans, the financial constraints faced by Super Bazar have very adversely affected the overall functioning of the Store in terms of administration, commercial operations and supply chain management resulting in rapid deterioration. Considering all factors and the present circumstances of Super Bazar, the Central Registrar ofCooperative Societies (CRCS) have been requested to take action for the windingup of the Super Bazar under the provisions of Multi-State Cooperative Societies Act 1984.

(c) : The year wise loss of Super Bazar particularly after 1997 are as under:

(Rs. In lakhs)

| Year | Loss |
|---|---|
| 1996-97 | (-)67.75 |
| 1997-98 | (-)321.33 |
| 1998-99 | (-)706.80 |
| 1999-2000 | (-)1372.52 |
| 2000-2001 | (-)1628.57 |

The main reasons in losses appear to be lack of professionalism and mismanagement, corruption and malpractices by the employees. Disproportionate wage revisions without corresponding increase in volume of business, reduced credit from suppliers,

reduced turnover with disproportionately large number of employees, increasing level of fixed costs, and inadequacy of working capital.

(d) : As on 31st March, 2001, the Super Bazar had a total of 2016 employees.

(e) : In the event of winding up of Super Bazar, under the provisions of Multi-State Cooperative Societies Act 1984, the compensation will be paid to Super Bazar employees as per the rules.

(f) & (g): No, Sir.

(h) & (i): No, Sir.